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*The Science of Political Economy.* By HENRY GEORGE. New York, Doubleday & McClure Co., 1898. — xxvii, 545 pp.

The regret with which American economists learned of the sudden death of Henry George, on the eve of the last election, was partly mitigated by the announcement that the *Political Economy*, on which he had been at work for six years, was practically completed. It was confidently hoped that the author of *Progress and Poverty*, in going systematically over the whole field of economics, would illumine other portions of the subject with the same trenchant criticism he had applied to the land problem; and that, in the process, his own ideas would gain in breadth what they might lose in simplicity. The present volume, however, realizes in but slight degree these anticipations. In spite of the statement in the preface, that "the work as left was, in the opinion of its author, in its main essentials completed," the book under review is far from being a systematic treatise on political economy. On the other hand, the author's critical faculty has been turned less to elucidating the phenomena of our common economic life than to finding fault with the views of "accredited professors of economics." The simplicity and harmony of "the philosophy of the natural order now spreading over the world under the name of the single tax" are undisturbed: it remains a deductive theory, and no attempt is made to reinforce it by an inductive study of the facts.

A superficial examination of the table of contents leads the reader to expect much more than is to be found in the body of the work. Separate books are devoted to "The Meaning of Political Economy," "The Nature of Wealth," "The Production of Wealth," "The Distribution of Wealth," and "Money — the Medium of Exchange and the Measure of Value." Each one of these books is subdivided into chapters; and it is not until the reader studies the contents of the chapters that he realizes how incomplete the work really is. Thus, while 314 pages are devoted to explaining the "meaning of political economy" and the "nature of wealth," only 152 pages are devoted to "production" and "distribution." In the book on production, some elementary distinctions lead up to the statement that the subject of population was so fully treated in *Progress and Poverty* that it will be omitted. The law of diminishing returns is identified with the proposition that "space has relation to all modes of production," but no attempt is made to discuss the economic significance of this broader generalization. Then, some chapters on the coöperation of labor are introduced which represent little advance over the

discussion of Adam Smith, and a single page is devoted to explaining "the office of competition in production." The book concludes with chapters on land, labor and capital, each averaging less than two pages in length.

The treatment of distribution is even more fragmentary. After explaining what is meant by it, the author devotes two chapters to proving that natural law obtains in this department of political economy as well as in other parts, and two more to criticising Mill's defense of private property. Here the discussion is broken off. The six chapters on money, which conclude the work, are as elementary as possible, and will be especially disappointing to those reformers who regard an appreciating standard as the root of all evil. Thus, on the whole, instead of being a completed work, George's *Political Economy* is little more than an introduction to the study of the subject. This the author himself must have realized clearly; and it seems unfortunate that it has not been perceived more clearly by the author's friends, who have led the public to look in this volume for so much more than is to be found in it.

The most striking characteristic of the book is the author's unbounded confidence in his own ideas and his contempt for the ideas of other students of economics. The opening sentence informs us that in *Progress and Poverty* he recast political economy. A little later we are told that "this work was the most thorough and exhaustive examination of political economy that had yet been made"; and finally it is described as "the most successful economic work ever published." "Its reasoning," he says, "has never been successfully assailed." This being granted, it follows, as a matter of course, that most of the work of contemporary economists is valueless or worse than valueless. Why, then, have economists so generally refused to avail themselves of the flood of light which *Progress and Poverty* threw upon the problems of their science? Because they are bound down by tradition, and because most of them hold chairs in colleges and universities which are endowed by the classes interested in the continuance of our present property laws. To put it baldly, "whoever accepts a chair of political economy must do so under the implied stipulation that he shall not really find what it is his professional business to look for." With this view of "accredited political economy," the pains which the author has taken to bring together lists of professors and of their writings must seem to his followers wasted effort.

The extent of George's own acquaintance with the literature of

his subject is illustrated in the following quotations. He knows "of no English writer on the Physiocrats or their doctrines who seems to have understood them." So far as he was able to discover,

there is not now a prominent college or university anywhere in which the professed teachers of what is reputed to be political economy adhere to what was then [that is, in Mill's time] called the deductive method. . . . It is usually, if not indeed invariably, assumed in all standard economic works that the conversion of labor power through exertion into services or wealth is the only way in which value originates. . . . [And yet] it may now be said that the science of political economy, as founded by Adam Smith and taught authoritatively in 1880, has been utterly abandoned, its teachings being referred to as teachings of "the classical school" of political economy, now obsolete.

Since he found the writings of Marshall "incomprehensible," and the lucid volumes of Böhm-Bawerk "ponderous," this ignorance of what was being taught and thought about him was but inevitable.

With all its limitations, the work is conceived in a philosophic spirit. Starting out with the distinction between mind and matter, the author presents a vivid sketch of some of the conditions which have controlled human evolution. He might have taken some knowledge of philosophy and natural science for granted; but, after all, it was better to include too much rather than too little in a work intended for the general reader. His explanation of the sense in which he uses the term "civilization" and his description of the body economic are both helpful.

The second book is less satisfactory, because here he begins his unfruitful criticisms of the but half-understood theories of others. Impressed with the importance of terms, he devotes a large part of the book to explaining a theory of value which identifies it with the quality of a thing which enables its possessor to secure the means of satisfying his desires without exertion. He sees clearly that the basis of value is subjective; but he does not perceive that it may be explained by reference to utility as logically as by reference to disutility averted, and that both positive and negative considerations must enter into its complete comprehension. In his discussion of wealth he is equally the slave of his own terminology. This must be defined, in his opinion, so as to exclude land; or else that will be called wealth which man has received from nature. Since such a definition breaks with accepted usage, it must be shown that the ordinary conception of wealth, which identifies it with things having value, is a concession to vested interests and is at the root of the

failure of accredited political economy to condemn private property in land. That wealth itself might be subdivided, so as to mark off the free gifts of nature from the products of human industry and thus to preserve this important scientific distinction, does not seem to have occurred to him.

Throughout, the book abounds in vivid phrases and telling illustrations. Its fragmentary character will prevent it from having a large sale, but it will doubtless have the effect of arousing renewed interest in *Progress and Poverty*, which it in no way displaces.

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HENRY R. SEAGER.

*System der Nationalökonomie.* Dritter Band. Nationalökonomie des Handels und des Verkehrswesens. Von GUSTAV COHN. Stuttgart, Enke, 1898. — 1030 pp.

In the initial number of this QUARTERLY, thirteen years ago, attention was called to the first volume of Professor Cohn's treatise on economics. Four years later appeared the second volume — on the science of finance. After a further interval of nine years we are now confronted by the third volume, devoted to the economics of trade and transportation.

Here the Göttingen professor is on familiar ground, for his reputation was really won over a quarter of a century ago by his masterly series of studies of the railway system and of speculation on the exchanges. To those acquainted with these previous works the present volume, notwithstanding its thousand pages, will not present anything strikingly new. The general arrangement is, indeed, systematic, and the historical chapters in each book are exceedingly interesting and well written. But, as in most works devoted to what the Germans love to call "practical economics," the material is too full for a general systematic treatise, and yet not sufficiently exhaustive for those who wish to study in detail any special point.

The volume is divided into four books. The first, entitled "Trade," deals in general with the development of trade institutions and with the present organization of trade. Under the latter head we have a discussion of trusts. Separate chapters treat of the stock and produce exchanges, as well as of the principles of international trade. This book occupies 546 pages — more than half of the entire volume. The second book, on "Banks," takes up a disproportionately small space — less than 90 pages. The two chapters devoted to the study of the development and the characteristics of modern banking are